

**Borders Group, Inc.**  
100 Phoenix Dr.  
Ann Arbor, MI 48108

**BORDERS®**

T(734) 477-1100

**CONFIDENTIAL**

July 19, 2011

**VIA FAX AND FEDEX**

Margaret Sayles  
Acting Manager - Rapid Response  
Workforce Development Agency  
Victor Office Center  
201 N. Washington Sq., 3rd Floor  
Lansing, Michigan 48913  
Fax (517) 373-4648

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**JUL 25 2011**

**RAPID RESPONSE**

Dear Ms. Sayles:

We are writing to notify you that Borders Group, Inc. (the "Company") will be permanently laying off all of its employees (presently 477) at its facility located at 100 Phoenix Dr., Ann Arbor, Michigan 48108 (the "Michigan facility"), beginning on or about July 29, 2011, and concluding on or about December 31, 2011. These layoffs are the unexpected and unforeseen result of a forced liquidation of the Company due to the inability to find an accredited purchaser and/or obtain a sufficient capital infusion. Employees will be separately notified as to the effective date of his or her separation of employment from the Company.

Any and all layoffs will be in connection with a permanent closing of the Michigan facility and will affect all job classifications (a list of each job classification and the number of affected employees in each such job classification is attached). No employees will be offered comparable jobs at any nearby Company facility. In addition, no bumping rights exist, there are no union representatives to be notified, and there are no rights to transfer.

Please be advised that, prior to this date, the Company had been actively seeking capital and/or a purchaser in order to avoid or postpone any mass layoff or plant closing. In this regard, the Company reasonably and in good faith believed that the provision of additional notice may have precluded it from obtaining necessary capital and/or finding an accredited purchaser of the business.

However, the sale did not close and, consequently, a liquidation of the Company is required. These circumstances were not foreseeable by the Company until just recently, and the Company is providing as much notice as reasonably possible under the circumstances in accordance with any obligations it may have under the federal Worker Adjustment and Retraining Notification ("WARN") Act, 29 U.S.C. § 2101 et seq.

Under no circumstance shall the Company's submission of this information constitute or be deemed an admission of any obligation under the federal WARN Act.

Please contact Rosalind Thompson, SVP of Human Resources at (734) 477-1384, with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Rosalind Thompson". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Rosalind Thompson  
SVP, Human Resources

LIST OF AFFECTED EMPLOYEES	
Job Title	Number of Affected Employees
A/P Manager Count	1
A/P Representative I Count	1
A/P Representative III Count	9
A/P Representative IV Count	8
A/P Supervisor Count	4
Accountant I Count	1
AD- Accounting & Control Count	1
AD-DC QA & Inventory Control Count	1
AD-Store Financial Planning Count	1
AD-Treasury Count	1
Advanced Support Technician Count	4
Airport Operations Manager Count	1
Analyst I Count	5
Analyst II Count	11
Analyst III Count	8
Analyst-SEO and Web Count	1
Application Support Analyst Count	1
Applications Architect Count	1
Associate Buyer Count	5
Associate Purchasing Agent Count	1
Bank, Payroll & Sales Rec Mgr Count	1
Benefits Clerk Count	1
Benefits Manager Count	1
Benefits Representative Count	1
Bibliographic Svcs & COS Mgr Count	1
Business Systems Analyst - Sr Count	2
Business Systems Analyst Count	8
Buyer Assistant Count	2
Buyer Count	18
Cafe Services Manager Count	1
Campaign Analyst II Count	1
Category Marketing Specialist Count	2
Claims Specialist Count	1
Computer Operations Supervisor Count	2
Computer Operator - Sr Count	4
Computer Operator Count	3
Construction Analyst II Count	1
Content Developer-Digital Count	2
Copy Editor Count	2
Corporate Affairs Manager Count	1
Corporate HR Manager Count	1
Creative Manager Count	1
Customer Service Rep Count	1
Data Security Specialist Count	1
Database Administrator Count	1
DC Human Resources Manager Count	1
Department Assistant Count	1
Desktop Support Administrator Count	3
Director - Marketing Count	1

Director - Payroll & Benefits Count	1
Director - Real Estate Counsel Count	3
Director- Assistant Controller Count	1
Director- Customer Service Count	1
Director-A/P and A/R Count	1
Director-Administrative Systms Count	1
Director-Digital Merchandising Count	1
Director-HR Count	1
Director-Loss Prevention Count	1
Director-MerchandisePlng&Analy Count	2
Director-Merchandising Count	2
Director-Mktg&Customer Systems Count	1
Director-Operations Count	1
Director-Purch&Admin Svcs Count	1
Director-Risk Mgmt&AsscCounsel Count	1
Director-Tax Count	1
District Manager-Borders Count	26
eBook Merchandising Manager Count	1
Electrical & Mechanical Coord Count	1
EVP-Chief Financial Officer Count	1
EVP-Operations Count	1
Executive Assistant Count	2
Field Human Resource Manager Count	2
Field Sales & Svc Supervisor Count	1
File Clerk Count	1
Financial Analysis Manager Count	3
Foundation Assistant Count	1
Foundation Executive Director Count	1
Foundation Program Manager Count	1
Graphic Designer Count	2
Hardware Technician Count	1
HR Generalist Count	1
HRIS Manager Count	1
Interactive Creative Manager Count	1
Interactive Designer Count	1
International Tax Manager Count	1
IT Asset Supervisor Count	1
IT Project Manager Count	2
IT Security Analyst Count	1
IT Supervisor Count	1
IT Support Manager Count	1
Lead Mail Clerk Count	1
Lead Order Processing Rep Count	1
Lead Security Guard Count	1
Lead-Digital Operations Count	1
Lease Accounting Supervisor Count	1
Lease Administrator Count	2
Lease Admn Manager Count	1
Logistics Plng & Analysis Mgr Count	1
Logistics Services Manager Count	1
Loss Prevention Specialist Count	1
LP Fraud Analyst Count	1

Mail Clerk Count	2
Mail Room Supervisor Count	1
Manager - Online Merchandising Count	1
Manager-Accounting & Control Count	1
Manager-Accounting&Reporting Count	1
Manager-DC QA Count	1
Manager-Ping&Replenishment Count	4
Marketing Coordinator Count	3
Marketing Project Manager Count	1
Marketing Specialist I Count	3
Merchandise Analyst III Count	1
Merchandise Ping Manager Count	1
Mgr-Dev&Srcing,Bargain Publish Count	1
Online Data Analyst Count	3
Operational Audit Manager Count	1
Operational Auditor Count	2
Operations Analysis Manager Count	1
Operations Manager Count	1
Order Processing Rep Count	3
Payroll Tax Supervisor Count	1
Payroll/Tax Services Rep III Count	3
Payroll/Tax Services Specialis Count	2
PC Technician Count	2
Planner Count	8
Planning & Reporting Manager Count	1
Pres,BGI;Pres&CEO Borders,Inc Count	1
Programmer/Analyst - Assoc Count	3
Programmer/Analyst - Lead Count	3
Programmer/Analyst - Sr Count	14
Programmer/Analyst Count	5
Project Manager Count	3
Purchasing Agent Count	1
Purchasing Card Coordinator Count	1
Real Estate Director - Sea Bus Count	1
Receptionist Count	1
Regional LP Manager Count	3
Regional Real Estate Director Count	2
Regional Specialist Count	2
Replenishment Analyst Count	15
Risk Management Specialist Count	1
Seasonal Business Ops Manager Count	1
Security Guard Count	2
Senior Field HR Manager Count	1
Social Media Manager Count	1
Sr Auditor-Corporate Count	1
Sr Compensation Analyst Count	1
Sr Compensation Manager Count	1
Sr DC Human Resources Manager Count	1
Sr Marketing Manager Count	2
Sr Mgr - Merchandising Count	2
Sr Mgr - Online Fulfillment Count	1
Sr Mgr - Store Planning Count	1

Sr Mgr-Merchandise Planning Count	1
Sr Mgr-NtnlEvnts&EnterAllnces Count	1
Sr Transportation Manager Count	1
Sr. Buyer Count	3
Sr. Communication Specialist Count	1
Sr. Database Administrator Count	1
Sr. Industrial Engineer Count	1
Sr. Loss Prevention Manager Count	2
Sr. Manager - IT Operations Count	1
Sr. Manager-Digital Operations Count	1
Sr. Manager-Telecomm & Network Count	1
Sr. Mgr - A/P Count	1
Sr. Mgr - Building Services Count	1
Sr. Mgr - Visual Presentation Count	1
Sr. Mgr-Architectural Services Count	1
Sr. Tax Specialist-Sales & Use Count	1
SrMgr-Inventory&Order Managemt Count	1
Store Design Spec Count	1
Store Operations Administrator Count	1
Store Operations Analyst Count	1
Store Operations Manager Count	2
Store Operations Specialist Count	2
Store Services Coordinator Count	3
Store Support Center Temporary Count	29
Supervisor-Construction Svcs Count	1
Supervisor-Prop&GC Accounting Count	1
Support Technician Count	9
Support Technician-Assoc Count	2
SVP- Human Resources Count	1
Systems Administrator Count	2
Systems Development Manager Count	5
Systems Engineer - Senior Count	3
Systems Engineer Count	4
Tax Manager Count	1
Tax Representative II Count	2
Tax Representative III Count	1
Tax Specialist Count	2
Team Leader Count	10
Telecom Analyst Count	2
Telecom Engineer Count	1
Title File Staff Assistant Count	3
Training Manager Count	1
Transportation Adm Supervisor Count	1
Transportation Services Manage Count	1
Transportation Svcs Specialist Count	1
TTO Coordinator Count	1
Vendor Liaison Count	2
Vendor Performance Assistant Count	1
Vendor Reconciliation Analyst Count	1
Visual Communication Manager Count	1
Visual Presentation Comm Spec Count	2
Visual Presentation Coord Count	2

VP - Digital Count	1
VP- Brand Merchandising Count	1
VP- Loyalty Marketing Count	1
VP-Applications Count	1
VP-CAO and Controller Count	1
VP-Financial Planning&Analysis Count	1
VP-Merchandising Count	1
VP-Planning & Allocation Count	1
VP-Regional Count	2
VP-Tax Count	1
Web Merchant	3
	477